

SPECIAL MEETING
May 22, 2000

The Special Meeting of the Annapolis City Council was held on May 22, 2000 in the Council Chamber. Mayor Johnson called the meeting to order at 7:05 p.m.

Present on Roll Call: Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs, McMillan, Carter, Fox, Moyer

Staff Present: City Attorney Goetzke

FY 2001 BUDGET LEGISLATION

O-11-00 For the purpose of adopting an operating budget for the City of Annapolis for the fiscal year 2000-2001, beginning July 1, 2000 and ending June 30, 2001; to appropriate funds for expenditures for the fiscal year beginning July 1, 2000 and ending June 30, 2001; levying and imposing a property tax rate for the Fiscal Year beginning July 1, 2000 and ending on June 30, 2001, for the purpose of defraying all expenses and liabilities of the City of Annapolis and levying same for the purposes specified; specifying certain duties of the Director of Finance, specifying a rate of interest to be charged upon overdue property taxes; and all matters generally relating to said budget and property tax rate.

Alderman Sachs moved to adopt O-11-00 on second reading. Seconded.

The Finance Committee reported favorably with amendments on O-11-00.

Alderman Sachs moved to amend O-11-00 as follows:

Amendment No. 1A:

Increase Budget:		
110-33500-3354	State Shared Revenue Revenue-Income Tax	\$20,000
110-45220-6110-0-244	Salaries - Stanton Center	\$20,000

To increase Income Tax Revenue by \$20,000, based on prior year actual income
To provide funds for a front desk clerk in the Stanton Center

Amendment No. 1B

Increase Budget:		
110-33500-3354	State Shared Revenue Revenue - Income Tax	\$20,000
110-45220-6110-0-244	Capital Outlay - Stanton Center	\$20,000

To increase Income Tax Revenue by \$20,000, based on prior year actual income
To provide funds for security cameras in the Stanton Center

Amendment No. 1C

Increase Budget:		
110- 33500-3354	State Shared Revenue Revenue - Income Tax	\$10,000
110-43322-7742	Storm Drains	\$10,000

To increase Income Tax Revenue by \$10,000, based on prior year actual income

To provide funds for replacement storm drain bicycle grates

These funds are intended to help facilitate the expedient replacement of storm drain grates in the City. The Finance Committee feels that it is very important that the Department of Public Works extend every effort to replace storm drain grates as quickly as possible.

Amendment No. 1D

Increase Budget:

110-36300	Revenue - Rents & Concessions	\$55,000
110-41910-6110	Salaries - P&Z	\$42,810
110-41910-6201	Retirement Benefits - P&Z	\$4,500
110-41910-6202	Insurance Benefits - P&Z	\$7,690

To increase Rents & Concession Revenue by \$55,000, based on expected additional Eisenhower Golf Course revenue

To provide funding for an additional Planner in the Planning & Zoning Department (\$55,000) total

Amendment No. 1E

Increase Budget:

110-36300	Revenue - Rents Concessions	\$5,000
110-41990-7993	Grants & Contributions	\$5,000

To increase Rents & Concession Revenue by \$5,000, based on expected additional Eisenhower Golf Course revenue

To increase the grant to Mount Olive Tutorial by \$5,000

Amendment No. 1F

Decrease Budget:

110-36300	Revenue - Rents Concessions	\$14,900
110-41990-7993	Grants & Contributions	\$14,900

To decrease Rents & Concession Revenue by \$14,900

To decrease the grant to Heritage Area Management Plan by \$14,900

Amendment No. 1G

Increase Budget:

110-36300	Revenue - Rents & Concessions	\$6,000
110-41990-7993	Grants & Contributions	\$6,000

To increase Rents & Concession Revenue by \$6,000, based on expected additional Eisenhower Golf Course revenue

To fund a grant to Chesapeake Children's Museum for \$6,000

Amendment No. 1H

Increase Budget:

110-36300	Revenue - Rents & Concessions	\$35,000
110-41990-7993	Grants & Contributions	\$35,000

To increase Rents & Concession Revenue by \$35,000, based on expected additional Eisenhower Golf Course revenue

To fund a one-time grant to OIC for \$35,000

Amendment No. 1I

Increase Budget:		
110-36300	Revenue - Rents & Concessions	\$2,500
110-41990-7993	Grants & Contributions	\$2,500

To increase Rents & Concession Revenue by \$2,500, based on expected additional Eisenhower Golf revenue

To increase the grant to Little VIP Day Care by \$2,500

Amendment No. 1J

Increase Budget:		
110-36300	Revenue - Rents & Concessions	\$500
110-41990-7993	Grants & Contributions	\$500

To increase Rents & Concession Revenue by \$500, based on expected additional Eisenhower Golf revenue

To increase the grant to Conflict Resolution Center by \$500

Amendment No. 1K

Increase Budget:		
110-36300	Revenue & Concessions	\$15,000
110-41990-7993	Grants & Contributions	\$15,000

To increase Rents & Concession Revenue by \$15,000, based on expected additional Eisenhower Golf Course revenue

To fund a one-time grant to SPCA for \$15,000

Amendment No. 1L

Increase Budget:		
110-36300	Revenue & Concessions	\$10,000
110-41990-7993	Grants & Contributions	\$10,000

To increase Rents & Concession Revenue by \$10,000, based on expected additional Eisenhower Golf Course revenue

To increase the one-time grant to Maryland Hall by \$10,000

Amendment No. 1M

Decrease Budget:		
110-36300	Revenue - Rents & Concessions	\$2,100
110-41975-8100	Capital Outlay - Central Services - GGB	\$2,100

To decrease Rents & Concession Revenue by \$2,100

To remove the \$2,100 in capital outlay funds for conference room chairs in Central Services

Amendment No. 1N

Increase Budget:

110-36300	Revenue - Rents & Concessions	\$38,000
110-49800-9839	Transfer to Capital Projects	\$38,000

To increase Rents & Concession Revenue by \$38,000, based on expected additional Eisenhower Golf Course revenue

To increase funding for the Forest Drive Sidewalks capital project by \$38,000

Seconded. A ROLL CALL vote was taken:

YEAS:	Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs, McMillan, Carter, Fox, Moyer
CARRIED:	9-0

Amendment No. 2

Alderman Sachs moved to amend O-11-00 as follows:

On page 1, amend lines 16 thru 21 as follows:

FOR the purpose of adopting an operating budget for the City of Annapolis for the fiscal year 2000-2001, beginning July 1, 2000 and ending June 30, 2001; to appropriate funds for expenditures for the fiscal year beginning July 1, 2000 and ending June 30, 2001; ~~levying and imposing a property tax rate for the Fiscal Year beginning July 1, 2000 and ending on June 30, 2001,~~ for the purpose of defraying all expenses and liabilities of the City of Annapolis and levying same for the purposes specified; specifying certain duties of the Director of Finance, ~~specifying a rate of interest to be charged upon overdue property taxes; and all matters generally relating to said budget and property tax rate.~~

On page 2, amend lines 1 through 23 as follows:

~~SECTION II: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL~~ that a tax rate of one dollar sixty-eight cents (\$ 1.68) on each one hundred dollars (\$100.00) of assessable property in the City of Annapolis be and the same is hereby imposed on all assessable property for the fiscal year ending June 30, 2001, to be collected pursuant to the provisions contained in Article VII of the Charter of the City of Annapolis and all other provisions pertaining to tax levies in said Charter, the said tax rate of one dollar sixty-eight cents (\$ 1.68) shall be used for the operation of the General Fund of the City of Annapolis.

~~SECTION III: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL~~ that it shall be the duty of the Director of Finance of the City of Annapolis to collect the sums set apart for the several funds, to keep separate receipts and amounts thereof, to deposit the same to the credit of funds as required by the several Acts and Ordinances relating to and providing for the several bonds issued, and to receive on account thereof only current money and legal tender of the United States.

~~SECTION IV: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL~~ that taxes levied by this Ordinance remaining unpaid on October 1, 2000 shall be overdue and from and after that date shall bear interest, to be collected with said taxes, at the rate of one and one-half percent (1.5%) per month until paid.

SECTION VII: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that this Ordinance shall take effect on July 1, 2000.

Seconded. A ROLL CALL vote was taken:

YEAS:

Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs,
McMillan, Carter, Fox, Moyer

CARRIED:

9-0

Amendment No. 3

Alderman Tolliver moved to amend O-11-00 as follows:

INCREASE BUDGET

Account Number	Account Title	Amount
Revenues (decrease)	Property Tax (decrease \$.01)	\$109,114.00
110-42112-6110	salaries - police (add 4 foot patrols)	\$172,780.00
110-42112-6600	supplies (community service expenses; postage, stationery, supplies - enhancement request)	\$2,000.00
110-42210-8100	capital outlay (thermal imaging camera - enhancement request)	\$22,000.00
110-49800-9839	transfer to CIP (see note 1)	\$410,000.00
110-43115-7996-000-266	ADA - Sidewalk	\$50,000.00
110-43115-7996-253	Roadway resurfacing	\$200,000.00
Transportation Fund	Fund equity/retained earning (reduce deficit)	\$18,340.00
TOTAL - general fund	(see note 2)	\$965,894.00
TOTAL - transportation fund		\$18,340.00

Note 1 - Transfers to CIP (detail)

Project 448 Downtown undergrounding - move \$271, 000 to FY 01 (pay-go)

Project New Chesapeake Ave. - ADA modifications - move \$64,000 to FY 01 (pay-go)

Project New Bates Track/Court Resurfacing - Increase by \$75,000

Note 2 - Rationale and explanation for selected increases

Tax reduction continuing surpluses permit modest reduction in taxes

Funds to be restricted to use for four neighborhood foot patrol officers added to Clay Street area (to replace in part County grant) and other City neighborhoods to enhance public safety.

Police supplies and fire imaging camera - public safety enhancements requested by departments

CIP modification for ADA, Chesapeake Ave. and sidewalks (operating) - Governments were to have complied with ADA (American with Disabilities Act) nearly a decade ago; this will allow progress toward making Annapolis accessible to all people

CIP - downtown undergrounding; accelerates project to complete streetscape improvements downtown

Bates Track - amount allowed is inadequate to complete the projects (over \$50,000 in general funds was deemed inadequate for one project in FY 00 and funds were transferred out; only \$23,050 in general funds is allowed for three resurfacing jprojects in FY 01.)

Transportation fund - reflects elimination of “intelligent sign” project (see decreases)

DECREASE BUDGET

Account Number	Account Title	Amount
various salary accounts 110-41310-6110 110-41316-6110 110-41512-6110 110-41520-6110 110-41540-6110 110-41910-6110 110-41971-6110 110-42112-6110 110-42210-6110 110-43114-6110 110-45220-6110 110-44510-6110	salaries (decrease 5% exempt employee increase)	\$47,010.00
110-41540-6110	salaries (decrease vacant EEO officer from step 11 to step 6)	\$11,266.00
proportionate reduction from all general fund salary accounts -6110	salaries (increase “slack”	\$100,000.00
110-41990-7993	grants and contributions	insert language (see note 2)
110-49800-9839 (CIP project 554)	Transfers to Capital Projects (Reduce vehicle replacement program - see note 1 below)	\$106,810.00
Decrease Retained Earnings/ Fund Equity	Retained earnings/fund equity (general funds)	\$650,808.00
110-33500-3354	State shared revenue (increase projected income tax revenue)	\$50,000.00
1834011-44510-8100 (Transportation Fund)	Capital outlay (“Intelligent sign” Rowe Blvd.)	\$18,340.00
TOTAL general funds TOTAL transportation fund	See note 3	\$965,894.00 \$18,340

Note 1 - Transfers to Capital projects detail

Defer purchasing the following vehicles

1994 Crown Victoria 26,107 miles 29,820 (police)
1994 Crown Victoria 26,669 miles 29,820 (police)
1994 Ford Tempo 24,581 33,670 (police)
1994 Dodge Shadow 27,159 13,500 (inspections)

Note 2 - Insert the following language as a note to the appropriation for the Anna. - AA co. Area Management Plan: “Approval of funding for the Plan does not im-ly approval of site recommendations for the Annapolis and Anne Arundel Co. Visitors and Conference Center.

Note 3 - Explanation/Rationale for selected decreases

Eliminate 5% merit increase for exempt employees: The budget includes an appropriation for \$60,000 to study professional salaries. Increases in salaries should be based on a careful, rational

plan that is equitable for both merit and appointed employees. Special increases for salaries of some professional employees should be deferred until the results of the study for all such employees are in. Also, the problem of “topping out” at step 11 is evident for both merit and exempt employees, yet the additional increase is limited to exempt employees, whose early salary cap is a reflection in part of a tendency to appoint exempt employees at a salary at the top of the scale. Comparability of salaries is an issue for both merit and appointed employees.

Reduce salary for vacant EEO officer position: This reduction implies that a new employee will be hired at the step 6, base salary for the grade.

Increase slack: Actual salary savings due to vacancies and turnover have exceeded budgeted slack by \$242,950 to \$734,990 over the past three years, suggesting that an assumption of greater savings than budgeted due to turnover will be realized.

Decrease retained funds: The City has a target level of retaining for emergencies an amount equal to 25% of the operating funds, a standard which exceeds usual standards of bond rating agencies for retained funds of about 10%. The actual general fund retained funds are budgeted at 43% of the general operating funds. This results in more than \$6 million in “saved” funds beyond the level required by the Code. In light of the relative stability of the City’s diverse revenue make-up (including substantial income attributable to government employment), the need for retained revenues of this magnitude to carry us through an unforeseen downturn is highly unlikely. The FY 01 budget “banks” another \$749,160 into the retained earnings fund. In light of the significant excess in that fund, this reduction applies most of that excess to one-time capital expenses.

Income tax revenue projection increase: The City in the past four years consistently has underestimated revenues from income taxes, in some cases by as much as 20 percent or more. The budgeted projection for FY 01 is equal to the revised estimate (at the time of budget preparation) for FY 00. National projections of income growth for FY 01 and state (5.9%) and county income tax projections (7.6% growth) over FY 00 suggest that a modest projection of a 4% increase for FY 01 over FY 00 (revised) is realistic. The sum of this increase and that proposed by the Finance Committee is approximately 4%.

Intelligent Sign – Rowe Blvd.: According to the response to questions during the budget process, there are no specifications, designs, or photographs available to describe the proposed lighted sign. There has been no public involvement in the proposed signage. In light of the sensitive and strategic location of Rowe Boulevard as the principal scenic route into the City, the placement of an illuminated sign could detract from the entrance to the City. This project should be deferred until the design, location, and impact of the sign may be assessed by the community. Seconded.

C Alderman Tolliver moved to amend Amendment No. 3 as follows:

Delete the line item of the amendment that increases 110-422108100, capital outlay (thermal imaging camera - enhancement request) by \$22,000 and, reduce by \$22,000 the line item of the amendment that decreases Retained Earnings. Seconded. A ROLL CALL vote was taken:

YEAS:	Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs, McMillan, Carter, Fox, Moyer
CARRIED:	9-0

C Alderman Moyer moved to amend Amendment No. 3 as follows:

Delete the line item of the amendment that increases 110-49800-9839, the transfer CIP modification for ADA, Chesapeake Avenue and sidewalks by \$64,000 and, reduce by \$64,000 the line item of the amendment that decreases Retained Earnings.

Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Sachs, McMillan, Fox, Moyer
NAYS: Aldermen Hammond, Tolliver, Carter
PASS: Alderman Gilmer
CARRIED: 5-3-0

C Alderman Moyer moved to amend Amendment No. 3 as follows:

Delete the line item of the amendment that increases 110-42112-6110, salaries - police (add 4 foot patrols) by \$172,780 and, reduce by \$172,780 the line item of the amendment that decreases Retained Earnings and, refer the issue to the Public Safety Committee. Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Sachs, Fox, Moyer
NAYS: Aldermen Hammond, Tolliver, Gilmer, McMillan, Carter
DEFEATED: 4-5

Alderman Tolliver moved to adopt Amendment No. 3, as amended. Seconded. A ROLL CALL vote was taken:

YEAS: Aldermen Hammond, Tolliver, Gilmer, McMillan, Carter, Moyer
NAYS: Mayor Johnson, Aldermen Sachs, Fox
CARRIED: 6-3

Amendment No. 4

Alderman McMillan moved to amend O-11-00 as follows:

INCREASE BUDGET

Account Number	Account Title	Amount
110-45220-7720-0-989	Recreation - R & M - Buildings & Structures - Annapolis Walk	\$32,000.00

DECREASE BUDGET

Account Number	Account Title	Amount
110-41513-7997	Collection Fee - Parking Enforcement Collections	\$20,000.00
110-41990-7990	Miscellaneous Services & Charges (City Code)	\$12,000.00

To provide \$32,000 for enhancements to City Park located between Annapolis Walk and Greenbriar Gardens that will include tennis court and playground construction.

Seconded.

Alderman McMillan moved to amend the amendment as follows:

To provide \$32,000 for enhancements to City Park located between Annapolis Walk and Greenbriar Gardens that will include tennis court and playground construction. **“NO MONIES SHALL BE EXPENDED UNTIL THE CITY RECEIVES TITLE TO THE PROPERTY”**. Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, McMillan, Carter,
Fox, Moyer
NAYS: Alderman Sachs
CARRIED: 8-1

A ROLL CALL vote was taken on the main motion as amended.

YEAS: Aldermen Hammond, Tolliver, Gilmer, McMillan, Carter
NAYS: Mayor Johnson, Sachs, Fox, Moyer
CARRIED: 5-4

Alderman Sachs moved to adopt O-11-00 as amended on second reading. Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs,
McMillan, Carter, Fox, Moyer
CARRIED: 9-0

Alderman Sachs moved to adopt O-11-00 as amended on third reading. Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs,
McMillan, Carter, Fox, Moyer
CARRIED: 9-0

R-13-00 For the purpose of adopting a capital improvement budget for the Fiscal Year 2001, and a capital improvement program for the six year period from July 1, 2000 to June 30, 2006; and all matters relating to said budget and program.

Alderman Sachs moved to adopt R-13-00 on second reading. Seconded.

Alderman Sachs moved to amend R-13-00 as follows:

Amendment 1A

Increase Budget:		
CIP - Revenue	State Funding - Forest Drive Sidewalks	\$60,000
CIP - Expenditure	Construction - Forest Drive Sidewalks	\$60,000

To increase funding for the Forest Drive Sidewalks capital project to include \$60,000 in State funding.

Note: The correct description of the project includes sidewalks from Chiquapin Round Road to **Old Solomon's Island Road** - Not Hilltop Lane. This amendment corrects this error.

Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs,
McMillan, Carter, Fox, Moyer
CARRIED: 9-0

Alderman Sachs moved to amend R-13-00 as follows:

Amendment 1B

Increase Budget:

CIP	Eastport Bulkhead Replacement	\$0
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Decrease Budget		
CIP	Eastport Bulkhead Replacement	\$0

The Finance Committee recommends that, once this project is in its final stages, all efforts be made to complete the street end park at the same time.

Seconded. A ROLL CALL vote was taken:

YEAS:	Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs, McMillan, Carter, Fox, Moyer
CARRIED:	9-0

Alderman Sachs moved to amend R-13-00 as follows:

Amendment 1C

Increase Budget:		
CIP	Knighton Parking Garage	\$0

Decrease Budget:		
CIP	Knighton Parking Garage	\$0

The Finance Committee recommends amending the description of the Knighton Garage by adding the following to the existing description:

The facility will be a City garage and a City office building; the garage will include mixed use office space for City government agency use (i.e.: Planning & Zoning, Inspections & Permits)

Robert H. Waldman, Chairman of the Planning Commission was present and answered questions by the Council.

Alderman Sachs moved to amend amendment 1C by substituting the language found in the Memorandum dated 5/22/00 to the Annapolis City Council from the Planning Commission as follows:

~~The facility will be a City garage and a City office building; the garage will include mixed use office space for City government agency use (i.e.: Planning & Zoning, Inspections & Permits)~~

THE FACILITY WILL BE A PARKING GARAGE AND MIXED USE FACILITY AS SET FORTH IN R-7-00 IN FURTHERANCE OF THE REVITALIZATION EFFORTS OF THE CITY OF ANNAPOLIS. Seconded. A ROLL CALL vote was taken:

YEAS:	Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs, McMillan, Carter, Fox, Moyer
CARRIED:	9-0

Alderman Hammond moved the new recreation center become - for concept and design purposes - a project under the Parks and Recreation Department. Seconded. A ROLL CALL vote was taken:

YEAS:	Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs, McMillan, Carter, Fox, Moyer
CARRIED:	9-0

Alderman Sachs move to adopt R-13-00 as amended on second reader. Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs,
McMillan, Carter, Fox, Moyer
CARRIED: 9-0

Mayor Johnson accepted into the record a memorandum from the Planning Commission to the Annapolis City Council, dated May 22, 2000, regarding the Capital Improvement Budget.

O-19-00 For the purpose of levying and imposing a property tax rate for the Fiscal Year beginning July 1, 2000 and ending on June 30, 2001, for the purpose of defraying all expenses and liabilities of the City of Annapolis and levying same for the purposes specified; specifying certain duties of the Director of Finance, specifying a rate of interest to be charged upon overdue property taxes; and all matters generally relating to said property tax rate.

Alderman Hammond moved to adopt O-19-00 on first reading. Seconded. CARRIED on voice vote.

Referred to the Finance Committee.

Upon motion duly made, seconded and adopted, the meeting was adjourned at 9:35 p.m.

Deborah Heinbuch, CMC/AAE
City Clerk